GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1066
ANSWERED ON:22.07.2016
BIFR
Mohan Shri P. C.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to seek information about sick and potentially sick companies, if so, the details thereof;
(b) the amount of Non-Performing Assets outstanding against banks and Micro-Small and Medium Enterprises (MSMEs) during the last three years;
(c) whether the Government has any proposal to abolish BIFR under the Sick Industrial Companies Act (SICA); and
(d) if so, the details thereof along with the total amount recovered by Assets Reconstruction Companies (ARCs) from MSME Sector till date?

Answer

The Minister of State in the Ministry of Finance

(a): The Board for Industrial and Financial Reconstruction (BIFR) was set up in 1987 as a Quasi - Judicial body under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with a view to secure the timely detection of sick and potentially sick companies and for their possible revival/rehabilitation.

(b): The data on Non-Performing Assets in Micro and Small Enterprises (MSE) Sector as on end March, 2014, 2015 and 2016, as reported by Reserve Bank of India (RBI) are as under:-

Non-Performing Assets in MSE Sector
As on Number of accounts (Lakh) Amount outstanding (Rs. crore)
March 31, 2014 21.93 42428.79
March 31, 2015 18.64 60749.27
March 31, 2016 18.60 83183.40
Source: As reported by Scheduled Commercial Banks

(c) & (d): The Sick Industrial Companies (Special Provisions) Repeal Act, 2003, was enacted on 01.01.2004. The notification of Section 1(2) of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 regarding abolition of BIFR is linked to notification of relevant provisions of the Insolvency and Bankruptcy Code, 2016, dealing with the sick companies.

Sector - wise data pertaining to Assets Reconstruction Companies (ARCs) recovery is not available.
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